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28 May 1974

MEMORANDUM FOR: Lieutenant General Graham  
D/DCI/IC

SUBJECT: DCI Management Systems for the U. S.  
Intelligence Community

1. This report contains a final critique and set of recommendations relating to overall management of the U.S. Intelligence Community. The report augments and completes the series of management studies on the Intelligence Community Staff (ICS), its support of the DCI Presidential and IRAC objectives and related DCI management directives, which were included in my initial 8 May 1974 report. This overall report consolidates and puts into perspective previous studies and recommendations on:

- a. A proposed ICS Management Task System.
- b. The initial structuring of the complex ICS workload into management tasks and a progress report through the initial evaluation period.
- c. A proposed (modified) DCI Management by Objectives (MBO) system for the intelligence community.
- d. Development of proposed DCI "coordination mechanism" models of community activities, using Systems Dynamics/network analysis/PERT techniques, to aid community-wide management and as the basis for eventual development of a DCI community-wide "management guidance plan."
- e. Apparent community-wide management coordination problems.

2. Both this final report and the basic 8 May 1974 report respond to your request and that of the AD/DCI/IC for a review of ICS management tasks, a progress report and related recommendations. Both reports together are organized to include a variety of data requested by [redacted]. The reports fully explain the various management recommendations presented during my briefings on 14 March 1974 and 16 April 1974.

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3. The conclusions and recommendations of these reports are designed to cover those aspects of the DCI's management responsibilities for the entire U. S. Intelligence Community which are supported by the ICS (and the NIOs, in several instances). Some of the conclusions are presented in a "devils advocate" approach and may be somewhat controversial to some. However, conclusions and recommendations are based upon a current "on the scene" review of ICS responsibilities, tasks and activities, as well as the inherent or implied tasks necessary to achieve the DCI Presidential and IRAC objectives and the related DCI management directive to D/DCI/IC.

4. In addition, some comments and recommendations have been influenced by continuous study of the U.S. Intelligence Community in successive management planning positions since 1963 at NSA, DIA, and now the ICS, plus earlier "intelligence-user" duties as a "special operations" planner for Europe, Pacific and Southeast Asia. These assignments provided what was perhaps a unique "vantage point" of the intelligence community's major management problems. In some of these positions, e.g., inter-agency coordination on support for worldwide overhead, special intelligence and reconnaissance operations, planning national intelligence support for the National Command Authorities through SIOP implementation, development of the first NSA long-range management (PPBS) plan, and recent preparation of the Defense Intelligence Plan (DIP), the complexity and decentralized management problems of the intelligence community greatly influenced and often seriously retarded effective planning for management improvements.

5. While you are well aware of the DOD/JCS PPBS procedures discussed in this report, these conclusions are also for those on the ICS who may not be familiar with the complex interrelationships of the DOD PPB system and its impact on the U.S. Intelligence Community, development of the President's national strategy, foreign policy, etc. Since we have been unable so far to get a copy of the draft DIA DIP, which covers the DOD PPBS, it is appropriate that the DCI-DOD PPBS relationships, as they affect the DCI's overall responsibilities, should be mentioned in this report for ICS review.

6. Request that you approve the recommendations in paragraph 9 of the attached final report.

Attachments:

Report, critique and recommendations on DCI management systems for the U.S. Intelligence Community, 28 May 1974 (37 pages)



Coordination Staff/Secretariat

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MEMORANDUM FOR: General Graham

SUBJECT: Critique and Recommendations on DCI Management  
Systems for the U.S. Intelligence Community

1. References

- a. DCI Presidential Objectives, 6 September 1973
- b. DCI IRAC Management Objectives, 14 December 1973
- c. DCI Letter of Instructions, 13 March 1974
- d. DCI's Coordination Mechanisms, 14 January 1974
- e. DCI Management Tasks for the U.S. Intelligence  
Community Staff, 8 May 1974

2. Purpose

a. This report contains a critique augmenting reference 1.e, which is a detailed report on the organization and status of 115 "DCI management tasks." These tasks were derived from the President's November 1971 goals for the Intelligence Community, the related DCI Presidential Objectives, FY 1974 IRAC Management Objectives and the DCI's March 1974 Letter of Instructions to D/DCI/IC (references 1.a, 1.b, & 1.c).

b. This report puts into perspective: (1) conclusions relative to the DCI's management tasks and responsibilities "charged" to the Intelligence Community Staff (ICS); (2) an evaluation of the management task system recommended for use by the ICS; and, (3) recommendations for management system changes and a modified DCI management by objectives system, as discussed in briefings on 14 March 1974 and 16 April 1974.

### 3. Essential Background - Basis for DCI Management Recommendations

a. This report and its management recommendations are the result of initial study of the unique management challenges and problems confronting the ICS. This study was initiated after a 7 January 1974 recommendation to the D/DCI/IC, and related discussions with AD/DCI/IC and PD/DCI/IC in early January 1974, that "the time had arrived" for a "sorting out" of the increasingly complex activities of the ICS into a unified structure of approved tasks and responsibilities directly supporting the DCI's Presidential objectives and related responsibilities. The wide variety of ICS projects, meetings and related activities, as described in the ICS Weekly Reports, clearly reflected the rather typical, rapid expansion of a new and aggressive senior U.S. Government staff. Project consolidation, or at least systematic review for essentiality in support of the DCI Presidential objectives, was an appropriate management recommendation at that time. This recommendation was supportive of a 11 January 1974 PD/DCI/IC memorandum to ICS senior managers which described the ICS workload in these terms:

"The list is long, the work complex, the nitty gritty voluminous.... Each piece is integral to the overall IC support and contribution to the DCI program.... Internally there are many tasks to perform.... The success of our integrated efforts in the IC staff will depend in good part on how well we schedule our efforts, establish deadlines.... I see as a first step the development of a clear schedule or blending of these activities...into a master game plan... to 'plot' our course."

b. The initial review of ICS activity in early January 1974, led to a 14 January proposal (reference 1.d) for a review of the DCI's "coordination mechanisms" through which the ICS aids the DCI in exercising his intelligence community-wide management tasks. In view of the DCI's use of the ICS as his community-wide staff support group, the identifiable methods by which the ICS normally (or specially) assists the DCI in exerting his influence on the widespread operation of the U.S. Intelligence Community should directly influence ICS tasks and workload. The proposal's purpose was to simply illustrate, for ICS "task justification," as well as for later task evaluation, the variety of procedures available to the DCI to improve his overall coordination of the entire U.S. Intelligence Community. The initial result was to include a structuring of the ICS tasks and responsibilities in support of the actual operation of the various DCI "coordination tools."

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c. A brief discussion of the merits of the "coordination mechanism proposal" is germane as it conceptually is the basis for the variety of management studies and recommendations discussed later in this critique. It appears essential to relate ICS tasks and responsibilities to the unique management problems confronting the DCI due to the complex organization and decentralized operation of the U.S. Intelligence Community. The separate and sometimes conflicting departmental command structures and responsibilities, the "semi-independent" control of world-wide intelligence community production organizations and activities, the complicated and highly technical operations of extremely sophisticated intelligence collection and processing activities, and the variety of reporting channels and requirements, makes the U.S. Intelligence Community without question the most complex, costly and difficult to coordinate and/or administer of any major U.S. Government functional area of activity. Since the DCI has limited "line" or command authority over intelligence community resources and actual day-by-day operations, he must exert his statutory or even Presidentially-directed authority on intelligence community activities primarily in a "coordination mode" and/or in a "policy enunciation" manner, as well as through his various community chairmanship roles. There are strong traditional and "vested interests" which indirectly diminish the DCI "real world" authority in the U.S. Intelligence Community. In view of these complex management challenges, a significant portion of the ICS personnel effort and tasks must be devoted to developing and exercising methods to assist the DCI in coping with the complexities of the intelligence community.

d. A related purpose of this proposal was to clearly lay out, for ICS management review purposes, what is actually occurring as a result of the simultaneous activities of the ICS, the NIOs, the USIB, the NSCIC, the PFIAB, the IRAC, the R&D Council, and the complex Defense Intelligence system and its related U. S. military, overhead and imagery operations.

(1) To do this, a series of "network analysis" management models, with brief explanations and supporting PERT-type charts and graphs, would also be developed for briefings, organizational recommendations and/or instructional use. This material could be useful as a detailed basis for a later development of a management-oriented description of the entire U.S. Intelligence System, to provide a management model or description of the system as a complex, interrelated, world-wide structure supporting many users at all levels in many ways, etc. Models would also be developed to illustrate the DCI's functional areas of responsibilities and "coordination mechanisms", e.g., resources allocations mechanism, national requirements mechanism, the world-wide crisis coordination mechanism, the estimating -- planning process, programming and budgeting mechanism, and their interrelationships with actual day-by-day collection, processing, production and reporting activities.

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(2) The proposal was designed for practical management use. Current proposed ICS projects, tasks, and responsibilities would be related to appropriate DCI "coordination tools" or mechanisms to allow senior ICS managers to better appreciate their present responsibilities and also to help them to better anticipate their impact on specific future functional areas. These "lay outs" would also be designed to clearly relate present and projected ICS workloads and tasks to the DCI's Presidential objectives as well as to the various DCI community "coordination mechanisms" as they actually operate today.

(3) Thus, the DCI and senior ICS managers would have the equivalent of a "world model" as described in the relatively new Systems Dynamics lexicon. The "world model" provides a complete "flow diagram" of the variety of casual relationships and "feed back loops," quantified as practical, which simultaneously affect the operation and behavior of the system (whatever it is). The "world model" allows senior managers to extrapolate present trends and relationships into their logical future relationships and, even more important, to obtain a realistic comprehension for the first time of complex, always changing organizational structures and systems which have often defied "rational analysis" in the past.

(4) Rensis Likert, a well known and often quoted management specialist, in his 1967 volume, The Human Organization, Its Management and Value, offered the following appropriate management advice which is pertinent to this report and its recommendations.

"Every organization is in a continuous state of change...as a consequence there is a never ending need for adjustments... sound decisions require accurate information...."

"In diagnosing its problems, every organization ...needs to understand the fundamental nature of its system, the way...its component parts function and the adaptive response it makes to its environment.... This ...is a necessary prerequisite...to specific measurements... made for diagnostic purposes and how they should be interpreted."

(5) Properly measuring the actual value and "real world" impact of intelligence community products is perhaps the most difficult of all quantitative management measurement problems, as discussed later. In fact, graduate studies indicate that few senior executives in the U.S. Government (at secretarial or agency director level or other major level in the U.S. Federal system) are able to actually develop valid and current "real world" measurements or even real understanding of all important inter-workings and operational relationships of their huge and complex organizations, much less develop a realistic appreciation of the inter-agency and interdepartmental relationships that constantly change and differently affect their own responsibilities. (This often is due to sheer size and complexity, bureaucratic and organizational inertia, successful resistance to change, incremental decision-making, etc.) In other words, few senior governmental executives are able to actually manage or basically change their organizations, although some give superficial appearances of doing so. (The DCI is confronted with more difficult and complex managerial responsibilities than most senior governmental executives, who at least have legal authority over all or most of the resources they are responsible for.)

e. It soon became clear that effective study and/or review of the DCI's "coordination mechanisms" and their operations within the U.S. Intelligence Community required several preliminary studies, such as:

(1) The determination of the variety of valid or essential ICS management tasks derivable from the DCI's Presidential and IRAC objectives and special management instructions to the D/DCI/IC.

(2) An indication how well these management tasks were being accomplished at this time.

(3) Identification of apparent "gaps" or problem areas in the DCI's coordination or management impact on community-wide intelligence activities.

(4) A regrouping of certain DCI management tasks into more logical and manageable functional task areas so that application of limited ICS personnel effort can be better measured.

#### 4. The Management Task System

##### a. General

(1) Comprehensive data relating to the studies identified in paragraphs 3e (1), (2), (3), and (4) above are contained in the 8 May 1974 report, reference 1.e. This was an initial effort to structure the variety of ICS activities into a unified "management task system" of related task grouping, better task (job) descriptions and functional relationships.

(2) The "Methodology" of the management task system can be summarized simply as follows:

(a) Accepted management responsibilities should be structured into tasks and activities, with milestones which mark the beginning and end of specific work activities within each task.

(b) Activities within tasks represent actual commitments of personnel, time and resources to accomplish part or all of a task.

(c) Structuring of tasks allows senior management to anticipate future needs of personnel and resources and to better meet changing management conditions.

(3) The management task system, relatively simple and easy to apply, has a final purpose or value in illustrating the need for management changes or refinements (if necessary) and, when combined with a modification of the Management by Objectives (MBO) system, the capability of aiding the DCI to better exert his influence on community-wide in-progress management activities, rather than to primarily react to a variety of after-the-fact decisions or performance results throughout the intelligence community.

##### b. Management Systems Survey

(1) The management task method recommended in this report was developed after an extensive survey of management systems in use today in business, industry and government at all levels, including military management methods applicable to the Intelligence Community Staff level of responsibility. Much management literature was reviewed, as well as a good sampling of management consultant recommendations at various levels of the U.S. Government (federal) system, including data available through Ph.D. program and other research for government administration college courses currently being taught.



(2) The purpose of the survey was to uncover any practical "management control" systems which might have utility at this senior staff level. Some of the systems reviewed were:

(a) USAFSS Program Action Directive (PAD) (used as action officer)

(b) Planning, Programming, Budgeting System (PPBS) (carefully researched while in DIA and in NSA)

(c) Network analysis management systems such as Program Evaluation and Review Technique (PERT), PERT/COST, Critical Path Method (CPM), etc. (used in past)

(d) Management by Objectives (MBO) and MBO/Results

(e) Systems Dynamics

(f) Economic Analysis, (used by DOD)

c. Introducing the Initial List of ICS Management Tasks

The 8 May 1974 report (reference 1.e) identifies, describes and groups 115 management tasks which are considered to be specified, implied or inherent tasks necessary to satisfy or complete the DCI FY 1974 and FY 1975 Presidential and IRAC objectives and related DCI 1974 instructions to the D/DCI/IC. While these objectives and their related tasks are actually "assigned" to the entire U.S. Intelligence Community, the ICS is generally charged with monitoring, supervising, accomplishing or insuring the completion of most of actions involved in these tasks. Therefore, all of these tasks are, or should be, the general responsibility of one or more of the components of the ICS.

(1) It should be emphasized that these 115 tasks do not represent any increase in ICS workload, per se, but are intended to represent a logical "breakout" of all currently assigned management responsibilities into basic measurable tasks or jobs. While many of these tasks should be furthered divided in more specific work activities, with "progress milestones" and completion dates, they are not so listed in this report, to avoid too much detail.

(2) Tasks requirements are stated in language as close as possible to the original wording of the DCI objectives, sub-objectives and/or instructions. Wording of implied and

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inherent tasks are also as close to that of related basic tasks as possible. Implied and inherent tasks are those considered essential to proper, full completion or satisfaction of the basic DCI objectives or sub-objectives. Separate tasks were derived from the different basic DCI objectives, sub-objectives and instructions only when such a task was considered essential to full completion or satisfaction of the basic objectives or instructions.

d. Management Task "Principles"

Evaluation of the 115 initial DCI management tasks was based upon the following "management systems" concepts. These "principles" appeared to be a logical outgrowth of application of the management task system to the management challenges facing the DCI and the ICS.

(1) The Intelligence Community Staff exists primarily to insure timely completion or accomplishment of, and/or community-wide emphasis on, the DCI's Presidentially-approved objectives, IRAC management objectives, and related DCI instructions.

(2) Thus, ICS personnel, a limited resource due to the requirement for all staffers to be widely experienced in intelligence community activities, must spend their major time and efforts on satisfaction of these objectives and related DCI instructions.

(3) For the ICS to effectively complete or accomplish these objectives and instructions with minimum applied efforts, they must be factored and structured into management tasks which are specific, measurable, with realistic reporting "milestones" and completion dates.

(4) Completion or accomplishment of the Presidentially-approved and IRAC objectives will be the "yardstick" or "report card" by which the DCI will be evaluated as a Community-wide manager.

e. Structuring the Initial ICS Management Tasks

Examination of the 115 DCI management tasks developed from the various Presidential and IRAC objectives, and DCI annual letter of instructions to the D/DCI/IC, revealed some interesting initial conclusions, which will be discussed in more detail later in this report.

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(1) A revised structure (grouping) of the 115 initial management task was necessary to organize them into closely related "work programs" so that work on one task may impact on and help accomplish related tasks in the same group. The revised grouping were kept as close as possible to a revised structure of the President's basic November 1971 goals for the intelligence community. This structure, discussed in detail in attachment 3 of the 8 May 1974 report (reference 1.e), has been designed to lay out the basic "functional work areas" inherent in the DCI's Presidential objectives in a management task format which will be useful on a continuing basis. The revised format and its task grouping, shown at attachment 1 of this critique, can be used to "structure" the ICS support of the DCI's FY 75 and FY 76 Presidential objectives listings. The five basic Presidential goals are revised functionally as follows:

- Goal A - Production Emphasis
- Goal B - Management Improvement Emphasis
- Goal C - Collection/Processing Emphasis
- Goal D - Modernization Emphasis
- Goal E - Application of Intelligence  
(Impact on User Emphasis)

(2) The 115 current ICS management tasks are grouped below against both the DCI's FY 1974 objectives and the related 1971 Presidential goals, for comparison purposes:

<u>DCI Objectives</u>	<u>Presidential Goals</u>	<u>Tasks</u>
A. Improve Intelligence Results	Production	20
B. Improve DCI's Leadership in Community	Management Improvement	29
C. Improve Efficiency of Intelligence Collection Resources Use	Collection/Processing	25
D. Improve Assignment of Intelligence Functions in Community	Modernization	17
2 E. Intelligence Must Enhance Formulation of U.S. Government	Impact on User	24

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f. Status of the ICS Management Tasks and Management Task System Relationships

(1) Of the 115 total management tasks, 70 "clear-cut" and obvious tasks were derived directly from the DCI's FY 74 Presidential objectives, submitted and approved by the President in September 1973. These 70 were augmented by 14 added tasks, six implied tasks and eight tasks which were considered inherent (essential) to accomplish a specific presidential objective. Study of the basic management tasks of a functional activity in this manner will help to isolate and identify tasks which otherwise might escape managerial attention. Overlooked work requirements become apparent when a responsibility is "factored" (divided) into its most basic, practical (and measurable) aspects. Task factoring will also identify the repetitive, routine and unique aspects of a project or responsibility for separate application of effort if unique tasks require innovative solutions, or for combined work effort application if routine related tasks are involved. Eleven tasks were factored out of the DCI's FY 74 IRAC management objectives and 20 were developed from the DCI's March 1974 letter of instructions to the D/DCI/IC.

(2) Detailed study and review of the "work in progress" or "current activity status" of the ICS 115 management tasks, for the period 10 December 1973-12 April 1974, resulted in the following summary of task activity. Sources of work/activity results for this purpose were the ICS Weekly Reports from 10 December 1973 to 12 April 1974 and a variety of desk interviews with ICS action officers and others.

(a) Only ten management tasks of the 115 were considered completed as of 12 April 1974, while approximately 33 showed no apparent activity or effort applied to them since December 1973 when weekly ICS work activity "recordkeeping" began. 54 of the 115 tasks were considered active tasks at that time and the remaining 18 showed minor or infrequently activity. Attachment 6 of the 8 May 1974 report (reference 1.e) lists the ten management tasks considered completed and recommended for elimination.

(b) Among the task groupings which were structured to support the FY 1974 DCI Presidential objectives, as shown in attachment 1, the following groups of related management tasks showed relatively less progress or work activity than other groups, during the above period.

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DCI Objective A - Improve all intelligence community products substantially.

DCI Objective B - Establish an effective leadership role in the NSCIC for the DCI.

Improve Personnel Management in the Intelligence Community.

Establish and Maintain a Viable DCI Program/Budgetary Process as a Primary Community Coordination Mechanism for Financial Management and Control (mostly future tasks).

DCI Objective D - Determine worth of intelligence community products to users.

Improve efficiency of intelligence community activities.

Review and determine optimum national/tactical intelligence interface and mix.

DCI Objective E - Insure optimum intelligence support of U. S. foreign policies.

Insure optimum intelligence support of military planning, policies and operations.

(c) It should not be considered unusual that only ten management tasks are in the "completed" category. Most of the ICS management tasks were "factored out" of basic "long-term" Presidential goals and DCI objectives to emphasize their continuing work activity aspects. Short-term or ad hoc work activities can in many cases be considered as "milestones" or partial support of a more basic and longer-range task. Management tasks thus can become the basic continuing (until completed) "division of work" standard for the ICS. All new work requirements can be compared to approved current management tasks of ICS divisions to determine if they represent new or related work programs.

(d) An important aspect of the management task system is that periodic review of the status of current management tasks will indicate where work activity "shortfalls" or "gaps" are currently occurring, allowing

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senior managers to make needed personnel or priority adjustments. Also, excessive application of personnel efforts and activities on relatively low priority or unimportant management tasks should be currently obvious at all times through use of this system.

(3) Causes for task inactivity or lack of action in most cases could be attributed to one or more of several general reasons. These reasons, listed below, are associated with specific management tasks in attachment 5 of the 8 May 1974 report (reference 1.e) to indicate why certain tasks were inactive.

(a) Objectives too general and broad -  
derived management tasks too general as a result.

(b) Reasonable/attainable progress points not  
derivable in objectives statement.

(c) Objectives not dividable into special  
tasks.

(d) No task assignments throughout community -  
(not accomplishable by ICS alone)

(e) Obscure completion dates - as derivable  
from basic objective statement.

(f) No reporting procedures to DCI - no  
requirement for "progress reports".

(g). No DCI follow-up - no "pressure" from  
DCI or ICS to report progress.

(h) Overlap and Duplication between:

DCI Objectives List  
IRAC Management Objectives  
DCI Instructions to D/DCI/IC

(i) Future completion dates.

g. Apparent Problems in Task Achievements

(1) No systematic evaluation systems

(a) Perhaps the most apparent "deficiency" which became obvious after a detailed study of the 115 DCI management tasks was the general lack of any effective

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intelligence community evaluation systems. The U.S. Intelligence Community is largely "operating in the dark" on real understanding of the ultimate use and value of its products. There is no scientific or generally accepted method of obtaining a measurable degree of "user satisfaction." The usual methods are the "differing perceptions" of senior U. S. intelligence officials, a general "ad hoc" feeling or occasional written or stated reactions of users or "consumers", either favorable or adverse. Twelve of the 115 ICS management tasks relate to some evaluation of user satisfaction. Many of the implied or inherent management tasks related to user evaluation in some fashion.

(b) No major production element of the intelligence community has apparently formally surveyed all of its intelligence product users, except DIA. The U.S. Intelligence Community daily and monthly produces large quantities of products of various kinds and for various purposes, yet DCI and the ICS do not have any valid, quantifiable method of actually gauging effectiveness, utility, user satisfaction, or "real world" value. It could be that some of the intelligence community's products are not being actually or properly used, or are superfluous or duplicative or not reaching desired users. We simply have no systematic methods for detecting such things except on a purely ad hoc and occasional basis. (A simple questionnaire, in the long run, may be the only practical method. A questionnaire interview combination is used by major research organizations to gauge nationwide "public opinion" from random samples of about 1500-2000).

(c) Most major U.S. industries maintain some form of "consumer use," "product value" or trading/sales area research efforts. While the various quantitative analysis methods used to manipulate and evaluate received data are often complex, most collection of basic research data appears to be still accomplished by the "time-honored" questionnaire, survey or interview methods. DIA used a detailed questionnaire in its comprehensive 1973 survey of all major DoD users of Warsaw PACT products to gauge user satisfaction. DIA, the Services and the unified and specified commands used the multi-questionnaire method in their 1970 world-wide Finished Intelligence Products Review study, which involved 151 DoD and non-DoD organizations making 12,800 product ratings of 508 finished military intelligence products. DIA has also experimented with the Delphi-questionnaire methods of gauging senior official reactions to intelligence products.

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(d) To be useful, a user evaluation system should be relatively simple, standardized, and designed for use by the National Intelligence Officers (NIO) as well as by "operating personnel." It must provide useful data from senior U.S. Government officials-quantifiable data which can be machine processed. All evaluation formats and methods should be similar in content. If such procedures were systematically used, the U.S. Intelligence Community could better evaluate and measure its actual effectiveness in supporting U. S. decision makers, etc.

(2) Little Apparent DCI/ICS Emphasis of Military Intelligence Matters

The study of the 115 management tasks indicated that during 10 December 1973-12 April 1974 very light emphasis was placed on identifiable ICS support for the Defense Intelligence System and its variety of activities and organizations. Except for ICS coordination activity dealing with the national/tactical interface studies, the initial ICS efforts to work more closely with the DOD on its FY 1976 Consolidated Defense Intelligence Program (CDIP) during the current DOD programming cycle, and the continuing ICS study of intelligence training activities, little ICS emphasis was discernable on subjects of Defense Intelligence interest or support. The seven "military support" management tasks under DCI Presidential objective E, Insure Optimum Intelligence Support of Military Planning and Operations, reflected less ICS activity than perhaps any other related task grouping. (See attachment 3 of the 8 May 1974 report, reference 1.e). The six management tasks grouped under DCI Presidential objective D as "Review and Determine Optimum National/Tactical Intelligence Interface and Mix" also showed relatively light activity (See attachment 3 of the 8 May 1974 report, reference 1.e).

(3) "Uncoordinated" Community Planning and Programming Activities

(a) While various ICS management efforts (tasks) are underway in the area of planning and programming, much of it appears to be relatively "ad hoc". Except for the military-related planning and policies tasks grouped under DCI Presidential objective E, all general intelligence community estimating, planning and programming management tasks have been grouped under DCI Presidential objective B, under three headings: "Establish an Effective DCI Community Coordination Mechanism for Out-Years Planning and Estimating" (4 tasks); "Establish and Maintain a Viable DCI Program/Budgetary Process as a Primary Community Coordination Mechanism for Financial Management and Control" (11 tasks), and "Establish IRAC as Primary DCI Community Coordination Mechanism for Intelligence Resources Management" (11 tasks).

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But <sup>you</sup> <sup>use</sup>  
report <sup>of</sup> <sup>DCI</sup> <sup>objectives?</sup>

(b) The initial management problem appears to be that there is no mechanism for coordinating the DCI's planning recommendations with community-wide planning and programming "follow-on" actions. Nor is there any systematic method of evaluating whether any of the DCI's estimative, planning, programming or budgetary recommendations are in fact having any real effect throughout the U.S. Intelligence Community. For example, can the following management queries be satisfactorily answered, in that no "coordination and/or evaluation mechanism" is available to select and obtain the needed data or develop answers in any systematic and measurable manner..

1. What actual U.S. foreign, economic or military planning, programming or policy decisions have been influenced by publication of recent National Intelligence Estimates? In other words, what have been the results in terms of State Department or DOD/JCS policy, planning or program changes?

2. How have recent national estimates affected DOD/JCS research and development requirements for the next 20 years, as stated in the JCS Joint Research and Development Objectives Document (JRDOD), for current planning periods FY 76-93? Does the JCS Joint Long-Range Estimative Intelligence Document (JLREID) for FY 84-93 include DCI/NIO estimative data? Have DCI/NIO estimates affected development of the JCS Joint Long-Range Strategic Study (JLRSS), the only U.S. Government long-range (FY 82-93) projection of world conditions produced on a systematic, periodically updated basis?

3. What has been the impact of DCI/NIO estimates on development of the JCS mid-range Joint Strategic Objectives Plan (JSOP) (current edition covers FY 77-84) or on its related Joint Intelligence Estimates for Planning (JIEP)? These documents together form the military planning and intelligence basis for development of the DOD annual, multi-billion dollar Defense Budget. The Consolidated Defense Intelligence Program (CDIP), including the bulk of the U.S. Intelligence Community's resources, is but a part of the annual DoD Defense Budget. In other words, is there a discernible impact in U.S. Strategic/Defense Planning and Programming by National Intelligence Estimates or do Departmental Intelligence Estimates and Service views provide the real basis for all planning and programming for National Defense?

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4. Has the DCI's Perspectives document actually influenced State, CIA or DOD (DIA) intelligence planning and/or programming? Have these agencies directly or indirectly utilized the "recommendations" or observations in the DCI's Perspectives to change or influence their own planning? Theoretically, at least, the Perspectives should be the "underpinnings" of all other intelligence community planning, which deals with national intelligence matters and requirements.

5. Have the DCID 1/2 intelligence priorities on a country/regional basis directly or indirectly influenced State, CIA or DOD/DIA intelligence resource planning and programming? How closely did DIA follow the DCID 1/2 priorities in development of their related objectives and priorities in Part 1 (Intelligence Objectives and Priorities) of Annex A (Intelligence), of the current JSOP Volume 1, Strategy and Force Planning Guidance?

6. Did the DCI's resources recommendations in the FY 75 NFIBR submission actually affect OMB or Presidential resources decisions, even at that late stage of budget preparation. Did the appropriate NFIBR recommendations form the basis of the ICS coordination with ASD/I, DIA, CIA and State on development of their FY 76 program submissions?

*in the process  
yes; the paper  
itself, less so.*

(c). There should be a clear pattern or structure of planning/programming relationships throughout the intelligence community which "connect" all management activities into a systematic planning and programming structure. The DCI's broad estimative guidance in his Perspectives, national estimates and/or policy papers, should "set the pace" for all other community planning and programming.

1. The DCI Perspectives and DCID 1/2 should be clearly cited and supported in the National SIGINT Plan (NSP), the HUMINT and IMAGERY plans, Annex A, JSOP, etc. NSP, HUMINT plan and other plans should clearly translate Perspectives recommendations into "real world" substantive and management objectives in the plans for later use as program basis' for development of intelligence community resource requirements.

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2. Intelligence resources programming should clearly start from and support objectives and priorities in these plans. The ICS should be involved in all community major resources programming efforts, with specific NFIBR "high points" used as a basis for planning or programming each next cycle.

3. NFIBR recommendations should be made earlier than December in order to have widespread program or budget impact before budget details are in "concrete", as they normally are by each December in the DOD PPBS cycles. (The Director, OMB, described the NFIBR as "largely additive" in a 17 April 1974 meeting with the DCI).

(d) There appears to be a need for a DCI planning structure or system which will fill a basic gap in the DCI community management system. Such a system should be designed to allow the DCI and the DDCI, the DIA and NSA Directors, their Deputy Directors, and other USIB principals to enter the conceptual planning stage to provide their views and recommendations on future intelligence needs, goals, objectives, and priorities well before the period of official, intensive programming and budgeting arrives each year. By the time the programming phase is underway, the "pressure is on" to adjust and shape specific programs for specific resources allocation requests, and the time is largely over for conceptual or initiative planning to stimulate "top-level thinking" and to resolve internal concepts and policies.

1. An ICS planning structure should be designed to allow systematic long-range and mid-range planning for goals determination, objectives selection, intelligence systems planning, "intelligence gap" projections, etc. Such planning should be conducted with input and participation by all senior officials. Such planning would set the stage for the annual programming phase, should serve as guidance to all community planners and managers, should allow the USIB and IRAC to judge how closely the programming followed the planning and should encourage community planners to systematically "think out" their needs, procedures and systems, etc.

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2. The major elements of the DCI's planning/programming structure should include an integrated system of long-range estimates; a mid-range annually-produced planning document, based generally on the estimative trends to translate these into planning and research and development requirements; a programming guide which describes the DCI's planning recommendations in programming terms, e.g., into categories and priorities which establish how and why the intelligence community resources should be programmed and budgeted. This document should indicate what required resources should be procured and made available for use for "real world" (short-range) tasking.

3. Short-range (next fiscal year) tasking can be based largely upon the KIQ program plus other current operating requirements. The DOD's Critical Near Term Defense Objectives List (CNTDOL) can be integrated into the KIQ system to insure concentration on those immediate or current priorities that support senior U.S. Government decision makers and senior military officials.

4. Since the intelligence resources planning cycle in DIA, NSA and the Services begins at least 12 months before commencement of the official DOD programming cycle, the DCI must publish his programming guidance at least 30 to 36 months before the beginning of the fiscal year in which those requested resources must be available for actual tasking via the KIQ and related priorities. What is needed, then, is to push the DCI KIQs and related priorities back in time two fiscal years earlier so that they will help to influence the beginning of the DOD/DIA/NSA planning/programming cycle, which involves the majority of intelligence community resources.

5. While a DCI planning/programming system, such as described above, may not "catch on" very quickly within the U.S. Intelligence Community, it would project the DCI's/ICS recommendations and inevitably influence all planning/programming decisions.

(4) Minor DCI influence on national strategy formulation

(a) The present ICS coordination effort during the current DOD CDIP FY 1976 program cycle will probably go into "high gear" after the JCS issues its Joint Forces Memorandum (JFM) reflecting the fiscal guidance of the Secretary of Defense,

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and after the Services and DOD agencies (DIA and NSA) submit their Program Objective Memoranda (POMs) during May-June 1974. After these events occur, the CDIP FY 1976 "exists" as an integrated program listings of resources recommendations. Specific ICS recommendations and "lobbying" can then occur at various levels in preparation for the DOD FY 1976 budgetary cycle which begins about July-August 1974.

(b) While such ICS coordination is innovative and highly desirable, it seems appropriate to observe that in this same period, senior intelligence planners in DIA and elsewhere are simultaneously working on the following year's program, the DOD CDIP FY 1977 planning cycle. For example, in the Pentagon, work is now underway on the FY 1977 edition of the (DIA-prepared and JCS/Service Approved) Part I, FY 1977 objectives and priorities, JSOP Annex A (Intelligence), which directly supports the FY 1977 JSOP Volume I, Strategy and Force Planning Guidance, which was published by the JCS on 6 May 1974. The JCS (DIA-produced) FY 1977 JIEP, the intelligence basis for the JSOP FY 1977 series of volumes, was published in early 1974, after preparation during the latter half by 1973. DIA and the Services' detailed intelligence resources planning for Part II, FY 1977 Intelligence Resources Recommendations, of Annex A (Intelligence), to JSOP FY 1977 Volume II, Resources and Force Level Recommendations, will get underway by July 1974.

(c) The significance of the above DOD planning sequences is that the FY 1977 basic intelligence objectives, priorities and resources planning decisions are now being made for the major portion of the U.S. Intelligence Community's resources to be programmed and budgeted for use by DOD activities and military forces after 1 July 1976. While many feel that this initial planning period is too tenuous and preliminary, Agency and Service positions on resources needs are hardening and gathering widespread support in this period, apparently without direct participation by the ICS, and with only indirect (and non-enforceable) guidance "available" in the last DCI Perspectives and DCID 1/2.

1. If the ICS waits until after January 1975 to enter the official DOD programming cycle for the FY 1977 program budget, many DOD intelligence resources decisions will already be "in concrete," and accordingly, very difficult for ICS staff personnel to easily influence during the final programming cycle in the spring of 1975. While, of course, major changes can be made during both the programming and the budgetary cycles during all of calendar 1975, ICS

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representatives would appear to have an easier time in their "informal lobbying" for changes if, in 1975 they were supporting resources positions which they had introduced during the initial resources planning cycles which will occur during the rest of 1974.

2. The DOD FY 1977 PPBS planning cycle began about July 1973 with initial preparation of the FY 1977 version of the (DIA-prepared) JCS Joint Intelligence Estimate for Planning (JIEP). The basic U.S. Government national strategic recommendations of the JCS to the President and the Secretary of Defense, for the period 1 July 1976 - 1 July 1981, may well have been made without benefit of DCI/NIO/ICS intelligence influence. These JCS strategic recommendations to the President and the Secretary of Defense are contained in JSOP FY 1977 Volume I, which was published 6 May 1974. The Secretary of Defense's FY 1977 strategic policies response to the JCS, which (theoretically) includes the President's FY 1977-82 national security guidance, will be included in his forthcoming Defense Policy-Planning Guidance (DPPG), to be published about August 1974. In the DOD PPB system, the FY 1977 DPPG is the initial SecDef direct response to the JCS JSOP for FY 1977. The FY 1977 DPPG will be followed in early calendar year 1975 by the SecDef's FY 1977 fiscal guidance, which translates his strategic guidance in the FY 1977 DPPG into programming terms to guide the FY 1977 JFM, POMs and CDIP developments.

3. This "high level dialogue" each year between the President, the Secretary of Defense and the JCS establishes the strategic planning foundation for all later DOD resources programming and related operational planning focused on use of DOD resources in the "forthcoming real world" of military and intelligence operations after 1 July 1976. This strategic planning exercise also serves as the background for the later detailed fiscal guidance in DOD programming which the Secretary of Defense issues each spring as the basis for the official DOD program cycle, as described above.

(d) In summary, basic planning/programming/fiscal decisions are being made in a continuous and systematic manner within DOD for the entire DOD program budget, including of course the CDIP, without any apparent direct influence/input by the DCI/NIOs/ICS. To put it still another way, it is not apparent that national intelligence

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planning and/or estimates, per se, play any continuous influential role in the mutual planning or programming of the majority of the national security resources of the U.S. Government.

maybe -  
(e) The above appears to be good support for the ICS management task B-O, under DCI Presidential Objective B, which is described as "Monitor and Actively Participate in Development of JCS-DIA-CIA-State Long- and Mid-range Intelligence Planning (and the JCS-DIA FY 1978 planning cycle)." The DOD/JCS FY 1978 planning cycle will begin about July 1974 with initial preparation of the next JCS FY 1978 JIEP. ICS personnel should participate if only as monitors or observers.

#### h. Summary on Management Tasks

(1) Management task methods do not create a "papermill". Only senior ICS managers are directly involved in periodically reviewing the status of management tasks and making appropriate recommendations, changes in personnel assignments and/or work in progress. Only a single management specialist is required to "operate" the system for senior management. One important aspect is that use of this system insures the all outstanding management responsibilities are kept before senior management to insure best application of effort, as required, among all the related management tasks.

#### (2) Adoption of New Management Tasks

To be approved by top management as a new management task, the following must be considered:

(a) Does it directly support a DCI Presidential Objective?

(b) Is it distinctly separate from current identified and assigned tasks?

(c) Is it measurable and definable in work activity segments and milestones.

(d) Is it mid-range (general) or short-range (immediate).

(e) Can specific benefits be projected that will help achieve a DCI objective or instruction?

(f) Can the new task be "assigned" to a specific entity within the Intelligence Community or must it be handled by the Intelligence Community Staff?

(g) Can the new task be "plugged" into present tasks within the ICS/DCI management area with a minimum of personnel changes or problems.

(3) Application to FY 1975 and FY 1976 Objectives

(a) The utility of the management task structure is illustrated by the fact that to implement the proposed draft FY 1975 DCI objectives, only the following minor changes are required to adjust the FY 1974 management task list.

1. Few new management tasks are needed.
2. Several present FY 1974 management tasks must be revised to incorporate more specific wording.

(b) Most FY 1975 proposed DCI objectives will, if accepted, require no new management tasks as present FY 1974 tasks amply cover them (although regrouping of present tasks will be required). Proposed DCI FY 1975 objectives can be supported by from one to as many as eight FY 1974 management tasks which are still considered current and uncompleted.

(c) Tasks, activities and milestones can become the building blocks for the series of new plans to be listed among the FY 1975 Presidential objectives, thus allowing the DCI to more directly influence their development, etc.

(d) Current structuring of tasks, activities and milestones, as indicated above, will allow the Intelligence Community Staff time for some experimentations and improvising before OMB requires that objectives be directly integrated into the FY 1976 budget submission in October 1974.

5. The DCI's Overall Management System

a. The discussions earlier in this report on the various DCI coordination mechanisms, management models based on "systems dynamics" concepts, the management task system and the planning/programming structure were designed to "set the stage" for the following comments on a proposed overall DCI management system, which can be described as a modified management by objectives (MBO) system involving the entire U.S. Intelligence Community. While developing and implementation of such an ambitious system throughout the intelligence community would be a formidable undertaking in view of the DCI's limited "real world" authority, portions of this overall system may have merit and should be



considered as partial means to aid the DCI in projecting or extending his influence and authority, indirectly, throughout the community. Without new formal legislative authority, or a Presidential directive which would drastically restructure and consolidate the entire intelligence community, the DCI can best make his weight felt by a combinations of community "coordination mechanisms" and a management task system, which would be a part of a modified community-wide MBO system. These would be integrated with his present committee (USIB/IRAC) and staff (NIO/ICS) structure.

b. The complexity of the U.S. Intelligence Community, the various hierarchical command structures, the complicated programming and budgeting procedures, the sophisticated collection and production methods, are such that the initial step in developing a new DCI management system is to describe or model interrelationships of the community's "coordination mechanisms." This first step, as described earlier in this report, is the executives' overview of the entire intelligence community, perhaps by the systems dynamics "world model" method. The purpose would be to clearly ascertain how the entire community operates in "the real world." In other words, a series of management-oriented DCI coordination models which would help to identify management problems, highlight management opportunities and objectives which need to be emphasized throughout the community.

c. One purpose of a "world model" of the U.S. Intelligence Community would be to focus senior management's attention on the interrelations of the entire community as an overall "operating entity." The behavior of massive institutions or widespread and decentralized related organizations (such as the intelligence community) depends ultimately upon the composite activity at the operating levels. The DCI management problem in this regard is that the operating instructions, procedures, objectives, and priorities at the "lower levels" of the U.S. Intelligence Community are issued by different controlling authorities, some of which may operate at cross-purposes or in a duplicative manner. If the U.S. Intelligence Community as a whole is to achieve its overall objectives and priorities in a coordinated manner, lower level authorities operating in different command structures, need to be guided by a modified MBO system.

d. While the DCI's USIB/IRAC and KIQ/KEP mechanisms are very important, it does not appear that they by themselves will be effective as there remain large unfilled management coordination gaps. There is yet no way that the DCI can "play a tune" throughout the intelligence community and measure its effectiveness. There is no way to really measure the interactions within the community caused by adjustments in objectives, priorities and/or allocation of scarce resources. Each major DCI, NSCIC, USIB,

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IRAC or KIQ decision or change has varied ramifications throughout the entire community, but an attempt to trace or measure such effects would place an intolerable burden on the information-handling capabilities of the community. Top management's reliance on information from a formal control system or that reported through a staff system becomes more tenuous as an organization increases in size. The bigger and the more widespread the organization, the more top management becomes dependent in "filtered, second hand information." In some cases it can remain unaware of new trends or initial problems until they become crises.

e. The proposed management by objectives system, modified by a management task system, offers at least the possibility of providing the DCI with a mechanism for indirectly projecting his management authority throughout the community, as well as a method of gauging the community's progress towards objectives and management tasks, without too much distortion caused by changing or filtering of data through the formal chains of command of the community.

f. The key to the recommended management system is to set up a method of "factoring" or dividing the current management workload of all community components into measurable management tasks and then relating the appropriate management tasks to support of the DCI's community-wide objectives. Once the DCI's objectives are approved by the President, they become Presidential objectives, for which the entire U.S. Intelligence Community must provide support, under the DCI's overall guidance. One value of this will be to reduce the complexity of community management and hopefully eliminate some of the delays and filtering of data which now occurs through the various chains of command.

g. Within the context of each DCI Presidential objective, related and supporting objectives would be established for appropriate major components of the intelligence community. These would be in addition to any agency or departmental objectives which may be set within such organizations or departments. Appropriate management tasks would then be identified to achieve each DCI objective or sub-objective. Such tasks would be limited in scope to a specific agency's or activity's responsibilities and would be targeted for completion within the current year, if possible. Or, if a continuing task, annual incremental milestones would be set. The whole mechanism would be designed to provide the DCI with a method of initiating, encouraging and gauging management performance throughout the intelligence community against Presidential Objectives which require "across-the-community" efforts. The present NSCIC, USIB/IRAC and PFIAB committees and boards could be used as forums to discuss progress and report achievements toward management tasks, rather than rely only on command channel reporting.

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h. With Agency and even Service progress toward agreed-upon sub-objectives and related management tasks reportable in the "open forums" of the NSCIC, USIB/IRAC and PFIAB, no other "reward or punishment" device would be needed by the DCI. It should be emphasized that the management task system is designed to report and measure primarily management actions and achievements rather than reports or data on unit or office work achievements, per se. Each Agency, Service or Department would report progress in terms mutually agreeable to them and the DCI, but the DCI would establish reporting periods and consolidate and gauge progress toward objectives and management tasks. Selection of sub-objectives and related management tasks by the DCI/ICS would be designed to help encourage desirable organizational behavior by various components of the intelligence community.

i. The number and variety of DCI Presidential objectives, related Agency sub-objectives and management tasks could provide the basis for an overall "DCI intelligence community plan" designed to further guide intelligence community activities and to insure consistency between Agency and/or Departmental plans, objectives, resources programming, and operations. The "DCI intelligence community plan" would interrelate the various objectives, sub-objectives, tasks, plans, programming and operational needs and requirements and, for the first time, provide an overall "road map" for the DCI, the NSCIC, the President, and even the Congress, to understand the functioning and purposes of the complex intelligence community. Better planning should mean better use of scarce resources, at least better and more timely high level consideration of alternatives.

j. Thus, the purpose of developing a community-wide MBO system, modified by a management task structure, is to create for the DCI an overall management system which allows him to establish management procedures for "orchestrating" long-range estimates and planning, mid-range programming and short-range or immediate operations (via the KIAs, for example), measuring progress and/or identifying management gaps, etc. The DCI's overall management system would be "voluntary," so as to encourage program managers to cooperate. But it would provide directive aspects for insuring steady, reportable and measurable progress toward Presidential objectives on an fiscal year basis. Better community-wide planning should occur, with integration of plans, policies and procedures provided by the ICS.

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k. The DCI's overall management plan would be designed to "send his messages" throughout the intelligence community and to encourage desired organizational behavior in the community which will lead to desired outcomes. All DCI goals, planning recommendations, objectives, resources recommendations, scheduling and operational improvement recommendations would be included and interrelated. The plan would be designed to allow the DCI to issue guidance and recommendations, rather than "directives." The plan, annually updated, would be the DCI's formal and integrated vehicle for "communication" throughout the community and would describe and place his other "coordination mechanisms" in proper context and importance.

1. While the DCI's overall community plan, his MBO and management task system would not be considered officially as a "control system," it would provide certain "control mechanisms" as desired by a particular DCI. A control system involves excessive paperwork and an "IG" function which is not intended in the above recommendations. But there will be "control gestures" inherent in the DCI's overall management system to help identify excessive deviations from objective or task progress guidelines or milestones and to isolate partial breakdown in a particular coordination mechanism. All coordination on such a scale inevitably introduces some degree of centralization of decision-making and some inflexibilities in operations. The value and cost of increased DCI control and coordination throughout the intelligence community will have to be constantly assessed and evaluated against the management problems of increased decentralization, semi-independence, lack of responsiveness to requirements, inadequate coordination, increased costs, etc.

#### 6. Intelligence Community Use of MBO

a. Review of use of MBO throughout the intelligence community reveals a very spotty record. With the exception of some excellent Service use, such as by the Naval Intelligence Command, there appears to be little current application of the MBO system. This applies to the DCI level also. For example, the DCI's Presidential objectives, promulgated in September, 1973, were never used as a DCI's management system, per se. While progress against these objectives has been made, as reported to OMB by the DCI during conferences held this month, review of ICS work progress under the management task basis indicates that much more could have been done. There were no progress reporting procedures instituted to gain community-wide recognition and support of these broad and comprehensive objectives. (The ICS did establish an administrative method of reporting weekly activity generally against the basic DCI Presidential objectives.) These comments also apply to the DCI's IRAC management objectives published in December 1973. No apparent follow-up system was set up for these, either.

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b. Neither DIA nor NSA published any supporting agency objectives to supplement or to implement the DCI's FY 1974 Presidential objectives, although senior plans officials of both agencies indicated that they were prepared to do so if there had been any DCI "follow-up" efforts. Neither DIA nor NSA set up any intra-agency management objectives, although NSA prepared a list which apparently will be a part of its National SIGINT Plan (NSP). CIA did develop a series of directorate management objectives and is apparently in the process of developing agency-wide objectives. Again, CIA made little real use, per se, of the DCI's Presidential objectives.

c. Attachments 2, 3, and 4 outlines the status of MBO throughout the intelligence community.

d. Attachment 5 describes the "classic" MBO system, which would be modified for use in a revised DCI management system.

#### 7. Summary on DCI MBO System

a. To be most useful in supporting the recommended DCI MBO system, the DCI Presidential objectives should be "structured" as shown below. They should be directly supported by related CIA, DIA, NSA and INR objectives.

##### (1) Short-Range: To be done now - (in months)

Specific Tasks  
Clear-cut Results  
Measurable Periodically  
Action Office Listed

##### (2) Mid-Range - Continuous/Reoccurring

Specific Work Programs  
Divisible Into Short-Range Tasks  
Clear-cut Targets  
Measurable Over-time  
Action Agency Listed

##### (3) Long-Range - Conceptual

Supports Futures Planning  
Lay out Alternatives  
General Trends for Programming  
Outline Work Goals for Future  
No Measurements

b. The recommended DCI MBO structure for use with the management task system is outlined below. This would provide integrated sets of objectives from the Presidential level to the unit or operating level.

(1) DCI Community-Wide Objectives

Support Presidential Goals  
Include Appropriate Agency Objectives  
Cover Inter-Agency Subjects  
Provide Measurable Community Tasks  
Divisible Into Agency Tasks  
Include Automatic Progress Reports to DCI

(2) Agency/Functional Objectives

Support DCI Presidential Objectives  
Support Agency Requirements  
Cover Intra-Agency/Departmental Subjects  
Measurable by Agency Standards  
Reportable to DCI on Request

(3) Unit/Station/Service Objectives

Support Operational Requirements  
Support Specific Agency Objectives  
Measurable in Detail and Periodically  
Reportable to Agency Only

c. The structured intelligence community MBO system could provide the following benefits.

(1) Provides DCI first mechanism to "guide" all community managers.

(2) Provide DCI periodic status reports on all community activities.

(3) Allows DCI to note problems as they develop.

(4) Allows agencies to develop related objectives.

(5) Insure work emphasis on "first problems first."

(6) Will coordinate efforts on:

Planning  
Programming/Budgeting  
Collection Operations  
Production and Reporting  
User Evaluations  
Improvements

8. OMB MBO Guidance

a. "Gradual" implementation of the recommended DCI community-wide MBO/management task system would be in support of the Office of Management and Budget (OMB)'s new guidelines on increasing use of MBO within the U.S. Government. The OMB Deputy Director's guidance to U.S. Government departments and agencies in February 1974 is pertinent to proposed DCI management system. The OMB guidance on MBO appears to support the concept of a community-wide modified MBO system. Highlights of the OMB MBO guidance are listed below:

- (1) Presidential Objectives "Tip of Iceberg"
- (2) Create More Agency Supporting Objectives
- (3) Use to Integrate all Management Levels
- (4) Design to Impact on all Operations
- (5) Use to Measure Results
- (6) Use to Manage Day-By-Day Activities

b. Related Presidential guidance on the new MBO system for the U.S. Government is summarized below, as contained in a 22 March 1974 memo to the DCI from the President:

- (1) Continue to strengthen role as DCI
- (2) Send your FY 1975 Objectives by early June
- (3) Further refine/elaborate my 1971 goals
- (4) Solidify groundwork laid by your FY 1974 Objectives
- (5) Clarify link between  
Substantive Intelligence  
Intelligence Resources
- (6) Submit through OMB a NFIPB including Tactical Intelligence
- (7) Ensure all Intelligence, at all levels, is  
Properly integrated  
Produces best results

c. The new OMB procedures for integration of MBO into the FY 1975 and FY 1976 program/budget cycles are outlined below. The modified MBO/management task system proposed in this report will support this OMB program. The OMB program was obtained from the OMB Deputy Director's MBO guidance of 22 February 1974.

(1) FY 74 Objectives - September 73

- (a) Meet due dates
- (b) Many too broad
- (c) Little evaluation criteria

(2) FY 75 Objectives - 1 June 74

- (a) President expects "Major Improvements"
- (b) Long-range goals identified
- (c) Objectives support goals
- (d) Objectives will:
  - 1. Be measurable (some way)
  - 2. Include "end results" to achieve
  - 3. Be supported by "action plan" with
    - Tasks
    - Milestones
    - Action Assignments
- (e) Budget estimates for each objective
  - 1. FY 75 costs
  - 2. Outyears costs
- (f) Presidential Objectives (DCI-level)
  - 1. Support Presidential goals
  - 2. Consistent with President's FY 75 Budget



(3) FY 76 Objectives - October 74

(a) Major objectives in budget submission  
(FY 76 NFIBR?)

(b) Action plans prepared after budget firm.

9. Recommendations for the D/DCI/IC:

a. Approve the concept of a management task system and request the undersigned to:

(1) Develop "simple" procedures to apply the management task system to the ICS.

(2) Develop current ICS management tasks to support the FY 1975 and FY 1976 lists of DCI Presidential objectives and the related OMB MBO program for the FY 1975 and FY 1976 program cycles.

b. Approve concept of a DCI intelligence community-wide MBO system, modified by a management task system, as described in this report, and request undersigned to prepare a briefing and written proposal for the DCI, after ICS coordination.

c. Approve initial (incremental) development of a series intelligence community-wide management models of the DCI's "coordination mechanisms," including the following proposed models:

(1) Basic DCI Coordination Models

(a) Intelligence Community support of:

1. U.S. National Strategy formulation and related military policies.

2. U.S. Foreign and Economic Policies Development.

(b) Relationships between intelligence resources allocations and operational improvements.

(c) Intelligence Community Support of DCI Presidential Objectives.

(d) Intelligence Community Estimating & Planning Relationships.

(e) Intelligence Community Planning/Programming/  
Budgeting Relationships

(f) DCI's NSCIC/USIB/PFIAB relationships

(g) DCI/IRAC/Program Managers relationships

(2) National Requirements Models

(a) Relationships between DCID 1/2 Priorities,  
KIQs, and actual operational requirements

(b) Requirements Flow-Users-Producers-Collectors-  
Reporters

(c) User Evaluation Procedures and Product  
Improvements

(3) DCI's Crisis Management Models

(a) DCI's Role in National Command Authority Wartime  
Structure (Pre-and Post-SIOP).

(b) DCI's Role in "Intelligence Warning" Structure

(c) National/Tactical Intelligence uses during  
crisis buildup and military operations



Coordination Staff/Secretariat

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DCI PRESIDENTIAL OBJECTIVES (REVISED)

A: IMPROVE INTELLIGENCE RESULTS -- (PRODUCTION EMPHASIS)

CONTINUOUS REVIEW OF INTELLIGENCE  
COMMUNITY'S RESPONSIVENESS TO  
NATIONAL REQUIREMENTS

ACHIEVE TECHNICAL IMPROVEMENTS  
IN ALL NATIONAL INTELLIGENCE  
PRODUCTS TO INCREASE RESPONSIVE-  
NESS TO NATIONAL USER NEEDS

IMPROVE ALL INTELLIGENCE  
COMMUNITY PRODUCTS SUBSTANTIVELY

B: IMPROVE DCI'S AUTHORITATIVE AND RESPONSIBLE LEADERSHIP IN COMMUNITY -- (MANAGEMENT IMPROVEMENT EMPHASIS)

ESTABLISH AN EFFECTIVE DCI COMMUNITY  
COORDINATION MECHANISM FOR OUT-  
YEARS PLANNING AND ESTIMATING

ESTABLISH AND MAINTAIN A VIABLE DCI  
PROGRAM/BUDGETARY PROCESS AS A PRIMARY  
COMMUNITY COORDINATION MECHANISM FOR  
FINANCIAL MANAGEMENT AND CONTROL

IMPROVE USIB EFFECTIVENESS AS  
PRIMARY DCI COMMUNITY COORDINA-  
TION MECHANISM FOR SUBSTANTIVE  
INTELLIGENCE MANAGEMENT

ESTABLISH AN EFFECTIVE LEADERSHIP  
ROLE IN NSCIC FOR THE DCI

ESTABLISH IRAC AS PRIMARY  
DCI COMMUNITY COORDINATION  
MECHANISM FOR INTELLIGENCE  
RESOURCES MANAGEMENT

MISCELLANEOUS MANAGEMENT  
ACTIVITIES

STRENGTHEN THE DCI'S  
PERSONAL STAFFS

IMPROVE PERSONNEL MANAGEMENT  
IN INTELLIGENCE COMMUNITY

C: IMPROVE EFFICIENCY OF INTELLIGENCE COLLECTION RESOURCES USE -- (COLLECTION/PROCESSING EMPHASIS)

DEVELOP AND MAINTAIN COLLECTION/  
PROCESSING EVALUATION SYSTEM

CONDUCT COORDINATED INTELLI-  
GENCE COMMUNITY RESEARCH  
AND DEVELOPMENT PROGRAMS

CONDUCT PROGRAM ISSUES  
STUDIES OF COLLECTION/  
PROCESSING PROGRAMS

D: IMPROVE ASSIGNMENT OF INTELLIGENCE FUNCTIONS IN COMMUNITY -- (MODERNIZATION EMPHASIS)

DETERMINE WORTH OF INTELLIGENCE  
COMMUNITY PRODUCTS TO USERS

IMPROVE EFFICIENCY OF INTELLI-  
GENCE COMMUNITY ACTIVITIES

REVIEW AND DETERMINE  
OPTIMUM NATIONAL/TACTICAL  
INTELLIGENCE INTERFACE & MIX

E: INTELLIGENCE MUST ENHANCE FORMULATION OF U.S. GOVERNMENT POLICIES & DECISIONS--(APPLICATION OF INTELLIGENCE EMPHASIS)

INSURE OPTIMUM INTELLIGENCE  
SUPPORT OF U.S. FOREIGN POLICIES

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## STATUS OF MBO IN INTELLIGENCE COMMUNITY

### DCI OVERALL OBJECTIVES - 6 SEPTEMBER 73 - TO OMB

COMMUNITY INPUT PARTIALLY USED

NO IMPLEMENTATION PROCEDURE

BROAD "MOTHERHOOD" STATEMENTS

MOST OBJECTIVES NOT MEASURABLE

OBJECTIVES NOT IN BEST "WORK PACKAGES"

TOO MANY OVERLAPPED TASKS

### COMMUNITY CONSENSUS (SENIOR PLANNERS/PROGRAMMERS):

LITTLE OR NO MANAGEMENT IMPACT

TOP SECRET  
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UNCLASSIFIED

STATUS OF MBO IN INTELLIGENCE COMMUNITY

DCI MANAGEMENT OBJECTIVES - 14 DECEMBER 73 - TO IRAC

BROAD MOTHERHOOD STATEMENTS

MOST OBJECTIVES NOT MEASURABLE

OBJECTIVES NOT IN BEST "WORK PACKAGES"

NO APPARENT "FOLLOW-UP" SYSTEM YET

COMMUNITY CONSENSUS: NOT KNOWN YET

UNCLASSIFIED

Approved For Release 2005/12/14 : CIA-RDP80M01082A000800010002-5

TOP SECRET  
NOFORN

## STATUS OF MBO IN INTELLIGENCE COMMUNITY

DIA

NO PUBLISHED MANAGEMENT OBJECTIVES  
ONLY ONE IN SECDEF LIST  
PREPARING SHORT RANGE PLANS  
    CNDIO  
    JSCP  
    KIQs  
MADE NO USE OF DCI OBJECTIVES

NSA

NO SEPARATE MANAGEMENT OBJECTIVES LIST  
OBJECTIVES TO BE DERIVED FROM PLAN  
TASKED TO PREPARE NATIONAL SIGINT PLAN  
    LONG RANGE REQUIREMENTS  
    RESEARCH AND DEVELOPMENT  
MADE NO USE OF DCI OBJECTIVES

CIA

DIRECTORATE MANAGEMENT OBJECTIVES LIST  
DEVELOPING AGENCY-WIDE OBJECTIVES  
MADE LITTLE USE OF DCI OBJECTIVES

CLASSIC MBO SYSTEM

1. IDENTIFY RESULTS DESIRED BY ORGANIZATION
2. PLAN HOW TO INSURE RESULTS
3. SELECT CLEAR-CUT OBJECTIVES (BY MANAGERS WHO MUST IMPLEMENT)
4. AGREE ON MEASUREMENT STANDARDS AND TIMES
5. APPROVAL BY TOP MANAGEMENT (CONSTITUTES DIRECTIVE)
6. SUBDIVIDE OBJECTIVES INTO TASKS AND ASSIGN
7. ORGANIZATION AUTOMATICALLY

WORKS TOWARDS OBJECTIVES/TASKS  
MEASURES PROGRESS  
REPORTS STATUS UP AND DOWN

8. TOP MANAGEMENT

GUIDES AND ADJUSTS  
COMPARES PERFORMANCE  
RECOMMENDS CHANGES